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THE UNITED STATES A PARSIMONIOUS EMPLOYER

BY THOMAS L. JAMES, FORMERLY POSTMASTER-GENERAL OF
THE UNITED STATES.

THE world knows us as a great nation—great, not only in diplomacy, in military and naval prestige, but in the wealth that has accrued to us from commerce and industry. Indeed, our material progress has far outstripped that of any other people. We have accumulated riches to such an extent that our citizens of all classes enjoy more of the comforts, even the luxuries, of life than the residents of any other country. Needless is it to discuss the wages received by the humblest laborer in contrast to what the employers of the Old World pay for the same work, nor to detail the salaries which men of ability not only receive, but are enabled to command, in positions of trust. We can safely say that there has never been a time in the history of the United States when the employer realized the monetary value of service more than at the present day. If a man brings results to the factory-owner, the merchant or the railroad company, that make his time and effort worth \$10,000 or \$20,000 or \$50,000 a year, he gets it, just as the attorney who wins the lawsuit, or the surgeon who performs the operation, receives a fee in proportion to his professional reputation and the skill required. As a business or industry expands and prospers, those who have most materially aided in its prosperity are paid accordingly—not as a benefaction, but from purely business motives.

This is what we do as individuals and corporations. As a people, we do otherwise. The United States, as a nation, recompenses those who serve it with sums that are but a fraction of what the representatives of much smaller countries receive for similar services. Even the President, who may be termed the people's

business manager, is obliged to be satisfied with a smaller salary than that paid to the heads of some minor European countries; yet, no man in America, probably in the world, fills an office of such responsibility. I might mention a score of Americans in private life who draw from 25 to 50 per cent. more money annually for effort that is less arduous. But the same argument applies when we analyze the duties of the Cabinet officers, of the Federal judiciary, of the chiefs of department bureaus and of the consular service. While in private life we are the world's most generous employers, as a nation we are among the most penurious in the treatment of our public servants.

In the admirable history of American diplomacy written by Professor John Bassett Moore, twice Assistant Secretary of State at Washington, there is reference to an opinion once expressed by Hamilton Fish, who was Secretary of State during the administration of President Grant. Professor Moore, in speaking of the American diplomatic service, says that Secretary Fish was firmly of the opinion that the grade of the missions from the United States to the chief commercial nations of the world should be raised from that of Minister Plenipotentiary and Envoy Extraordinary to that of Ambassador. Secretary Fish, however, did not feel justified in taking any action that would bring about this change, and he gave as his sole reason for his reluctance to urge the matter that he was satisfied Congress would not increase the salary to the amount which an Ambassador, the personal representative of the President, should receive. The grade has been advanced since Secretary Fish's day, so that the missions of Great Britain, Russia, Germany, France, Italy, Mexico, Austria-Hungary and Brazil are now represented by Ambassadors at Washington, while the United States and the President are represented by those who have been received as Ambassadors in these various countries. But Congress did not increase the salaries, and to-day it is imperative that a rich man shall be named as Ambassador to any of these nations, if he is to live in a manner in keeping with the office, even though he spends only what is actually necessary. Furthermore, it is an open secret that one of the qualifications for Ambassadorial service—not in every instance, but in some—has been a generous contribution to partisan campaign funds—the honor of holding the post tempting wealthy men of ambition.

I recall that one of my associates in the Cabinet of General Garfield—the Honorable Robert T. Lincoln, who served as Minister to the Court of St. James's, the last to represent us at that Court with the rank of Minister—found, after his four years' term, that his total expenses were just twice the amount of his salary, and he had, therefore, been compelled to draw upon his private purse and his business for an amount exactly equal to the salary he received from the Federal Government. Mr. Lincoln led a life of simplicity. He entertained only when necessary as became his official station, but not lavishly; and this charge upon his private purse represented chiefly official work done in connection with his ministerial responsibilities. I believe many will agree with me that it was a charge which should have been paid by the United States; and it is in no sense an answer to this statement that the minister was paid in part by the honor conferred upon him by that appointment. I have known of several cases where men distinguished for ability have been compelled to resign office and return home, not daring to face serious inroads into their modest fortune which longer public and diplomatic service would entail.

The European nations—even those which have no such wealth or capacity to pay sufficient salaries as may be compared with that of the United States—always recognize the dignity and the responsibility which the high diplomatic posts involve. Therefore, Great Britain pays her Ambassador to the United States a sum almost equal to that received by the President of the United States. In addition, he is provided with a house and accessories worthy of the dignity of Great Britain, and, furthermore, a sufficient allowance is granted him for entertainment. Many persons may look upon an allowance of that kind as unworthy the simplicity of a Democratic-Republican form of government, but not any who have served in important diplomatic capacity, for it is well known to them that the most important of the negotiations, the most delicate questions of state, are often brought to a satisfactory conclusion at what appear to be merely private and personal entertainments. These are charges which cannot be set forth in detail or entered up in *minutiae*; but they are involved in responsibilities, exacting and inexorable, which every diplomatic representative of the United States to the higher Courts must accept, if he is to succeed at all in his work.

The consular service has been greatly improved and has aided much in the development of American commerce, through the inauguration under Mr. Evarts, when Secretary of State, of a system of consular reports. This service has been considerably extended recently, so that what were once monthly reports are now published daily. I do not hesitate to say that the information gathered, the labor which it involves, the experience and good judgment which are required, would be rewarded, in the case of representatives if they were of a commercial house or a great corporation, by salaries far in excess of those which the United States consuls receive. It is well enough to talk about establishing the consular service upon a civil service basis; but the first step, it seems to me, in the direction of securing competent, permanent service, is the payment of salaries that will be adequate for the work required. We shall then eliminate from the consular service the method which has characterized appointments heretofore, for competent business men, young men having high ambition and looking for a career, will be appointed, instead of political favorites or men who have political influence. The wonder is that our consular service has done as well as it has done. I am certain that, if there were a readjustment of salaries, an adequate compensation, with the certainty that the vocation would be a life one, and promotion in recognition of merit, American consuls the world over would do a great work in extending American commerce. Our consuls and consular agents have it in their power greatly to develop our export trade, and, indeed, they have done much in that way.

I have gone into some detail in referring to the consular service, since upon it depends much of our prestige with other nations. I need not dwell upon the vital importance of these men, as they stand for the dignity of the nation and are expected to maintain themselves in a manner befitting its dignity. It is with regret and humiliation that I have alluded to the inadequacy of their compensation; but take the Federal judiciary and the argument applies with equal force. I need cite but two or three instances with which I am personally familiar. An eminent jurist, for many years regarded as the foremost United States Circuit judge west of the Alleghenies and without a superior upon the bench of the United States, was at last brought face to face with a decision which he felt his responsi-

bilities to his family compelled him to make. That, too, can be said of another distinguished lawyer who occupied the bench as Federal Judge of the Southern District of New York. Each of these judges received a salary far beneath his earning power as a lawyer. Both of them probably would have chosen to remain upon the bench had they not discovered that they were constantly running behind. The salary of the Circuit Judge, if my recollection is correct, was \$6,000, and that of the District Judge was \$4,500. The former did resign with great regret. His learning and his natural bent of mind preeminently fitted him for a place upon the bench, and his decisions to-day stand as models of exposition of the law. In a single year after the Circuit Judge retired from the bench, his earnings as a practising lawyer were, I have been told, in excess of the aggregate salaries he received during his entire term as United States Judge. The District Judge, too, may now contemplate a sufficiency for his family and those others who are dependent upon him. These are random illustrations; but to my mind they afford ample proof that the United States does not begin to pay its judges the salaries which they should receive. Great Britain may be regarded as paying excessive salaries; but Great Britain always has a bench that commands the respect and confidence of the English-speaking people the world over, and, moreover, pays these public officers salaries sufficient to ensure, not only a manner of living that is in accord with their high office, but also suitable provision for their families.

Another factor which should be considered in this discussion is the inroads made on the salary of the officer under bond by payment of annual premiums. I remember one case of a very competent United States Treasurer. He had been promoted from one of the minor clerkships because of merit, until at last he was nominated by the President for the office of Treasurer of the United States. The salary was \$6,000. The United States exacted a very large bond. The Treasurer, after a few years' service, perceived that in justice to his family he would be unable to retain office, and, therefore, resigned. I may say that the United States exacts bonds, with sureties, that are, probably, unmatched by the requirements of any financial corporation. The Postmaster at New York is compelled to give a bond of \$600,000, with sureties for double that amount. The

Assistant Treasurer of the United States at New York, whose salary is only \$8,000, is now compelled to give a like bond. Both of these officers are responsible for the large amounts of money that pass through their offices. The finances of the Post Office at New York equal those of many of the greater banks of New York; yet, the Government pays only \$8,000 a year salary. Recently, when there was a vacancy in that Post Office, several very rich men were willing to accept the office, probably because they thought it was in the line of political preferment; but it was with great difficulty that President Roosevelt at last found a competent business man, who was not very rich, who would accept the office; and I am safe in saying that the same energy, the same experience and business capacity which are necessary for the satisfactory direction of the New York Post Office would, in any other employment, bring a salary from three to four times as much as the Postmaster at New York receives.

Ex-Senator Warner Miller, who was a personal friend of the late President Benjamin Harrison, once informed me that General Harrison had been compelled, after leaving the Presidency, to go to work in order to provide for his family, and he added that General Harrison had saved more in the year that followed his retirement from the Presidency than he had been able to save in the four years of his incumbency. Think of a man who has been the head of one of the world's richest nations, retiring from its service with practically nothing saved from his salary—so small that he must expend it all in outlays absolutely necessary to maintain the position with befitting dignity; but General Harrison is not an isolated instance by any means. James Monroe, after retiring from the Presidency, was compelled to sell his library for want of money and go to work in order actually to exist.

I have long felt that Congress, first of all, should seriously consider, and at last readjust, the salaries paid to the President, the Vice-President and the Cabinet Officers. The President of the United States should receive not a cent less than \$100,000 a year, and a retiring pension of not less than \$25,000 during life on condition that he does not engage in any secular business, thus preserving the dignity of his position.

I have heard it said that since Cleveland's day almost every Cabinet Officer has been a man either of great wealth or possessed

of sufficient income. There are one or two exceptions to that statement. I have personal knowledge of one of the most efficient Cabinet Officers who ever served at the head of a department at Washington, who was compelled to resign in the midst of most important work, because he realized that if he stayed longer in Washington practical bankruptcy would be his lot. I have always felt that the United States is niggardly in its payment to the Secretary of the Treasury. It is one of the proudest of American traditions that, notwithstanding the enormous opportunities that are at the hand of a Secretary of the Treasury, especially since the Civil War, not one has ever been tainted with the suspicion of a misuse of his opportunity or his responsibilities. Some have retired poor. Mr. Carlisle came to New York, after a four years' service as Secretary of the Treasury, absolutely dependent upon the practice of his profession, and not succeeding until some of his personal friends had made efforts to secure clients for him. Mr. Winder, who was twice Secretary of the Treasury and died in office, and who accomplished one of the traditionally great achievements of that office in his refunding action in the summer of 1881, was compelled to enter active business after he had retired from General Garfield's Cabinet. Governor Foster, who was Winder's successor as Secretary of the Treasury, held the position during the period of the "gold stringency." I have proof that he was aware what the straits of the Federal Government were soon to be with regard to gold, and that he could have profited by that knowledge had he been so disposed. Nevertheless, as the world now knows, he was administering this great office when his private affairs were really upon the verge of bankruptcy.

President Roosevelt could not have successfully called Elihu Root to his official family, had Mr. Root not, by brilliant successes and a life of intense professional industry, accumulated an income upon which he will chiefly rely while he is serving as Secretary of State. I have long thought that it is all wrong for the Government and for Congress to act upon the assumption that a man competent to fill an office, and whose service will be of the greatest value to his country, should be expected to make inroads upon his private fortune in order to sustain the dignity and meet the expenses of his official life. Yet, we apparently take it as a matter of course that a man should be

willing to serve his country as a Cabinet Officer—a position requiring so much time and attention that he cannot engage in his individual business or profession. We expect he will not only perform its duties, but reside in Washington, entertain at the requisite functions and cheerfully make up any deficit beyond his salary out of his private income, in addition to giving up a revenue from other pursuits which, in the case of some of the present officials, is three or four times the allowance they get for the honor of holding the portfolio. It speaks well for the patriotism of our men of mark that so many of them have been willing to accept the office—at such a monetary loss to themselves.

The other day, the Secretary of Agriculture, Mr. Wilson, published a statement showing that the value of the farm and forest products of the United States for the year 1905 was considerably in excess of six thousand million dollars. He showed with what great rapidity the value of the farms themselves is increasing. The wealth of the United States has been doubling in almost geometrical progression; but I do not discover that the United States itself, notwithstanding this increase in its resources and wealth, has in a general way increased the salaries of its public officials. If there have been increases, they have been too trivial and, where made, so exceptional as to attract notice. Meanwhile, the standards of living are greatly increasing; and a moderate salary, which a few years ago would have been abundant, is now barely sufficient decently to provide a man and his family with the necessities of life.

The workman is worthy of his hire; and, if it be sound economy that the prevailing rate of wages or salaries should be paid, it is as sound economy for the United States as it is for corporations or for any employers. I have no patience with the theory that a man should be expected to give up his energy, time, skill and ability to the United States Government for less money on the whole than he would receive if he were employed by a corporation or by private individuals. Sometimes the Government finds that it is impossible to get high-grade men without high-grade pay. President Roosevelt and Congress made that discovery when the composition of the Panama Canal Commission was under discussion. Great engineers, even for so stupendous a work as the Panama Canal, will not give their services

to the Federal Government for one-tenth the pay which they would receive from a corporation for the same service. Therefore, the President was authorized to fix the salaries for the experts and the engineers to whom was commissioned the work of building the Panama Canal.

I sincerely trust that an agitation will begin speedily for Congressional action, looking to a careful and impartial readjustment of the entire salary list of the officials of the United States Government; and I am certain that Congressmen will find no enlightened or impartial constituent who will not approve reasonable legislation of this kind—legislation that is the result of thorough investigation.

THOMAS L. JAMES.